

June 10, 2014

**Approval by mail: Morocco: Noor II & III Concentrated Solar Power (CSP) Project CTF
(AfDB and IBRD)**

Thanks for the opportunity to review the Noor II and III CSP project. There are a number of intriguing aspects of the project, but we have some areas of concern we will need to better understand before we will be in a position to make a decision on this. We may have some additional questions as well, but wanted to get this initial set to you.

- Do any of the selection criteria in the bidding process also look at the robustness of the environmental assessment?
- Page 14 of the “Joint AfDB/WB Submission” states in the “Accelerating the process of completing the plant-specific environmental and social impact assessment” that the ESIA would only be completed at a later stage during the bidding process. How does this accelerate the Noor 2 / 3 start-up time when it appears to be similar to how Noor 1 was handled? If the project site and technology are known, what is the hurdle with completing the ESIA prior to the proposal coming to the World Bank Board?
- Page 20 of the same document states that a hypothetical scenario of selling CSP capacity to Europe combined with the social cost of carbon can lead to a 7% real rate of return over the long-run. How is this projection affected by Europe’s inability to absorb renewable exports as stated on Page 8? How does the inability to export power to Europe affect the cost-effectiveness estimates for the project?
- Are there any studies that examine the impact of the industrial integration measures in Noor I to determine whether the local content requirement could raise costs of implementation?
- Did the MDBs review the TOR for consultants that the bidders hire to undertake the environmental assessment? Can a copy of those TORs be provided?
- Can staff provide a copy of the Fraunhofer Institute (2014) paper on the potential of local manufacturing in the MENA region is referenced several times in the proposal? We have seen the 2011 paper on the MENA region but are looking for what appears to be the more recent paper.
- Are there any estimates on what percentage of Industrial Integration investments will be used for goods and materials versus what percentage will be used for labor?

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